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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE**  
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# **FOUR WOMEN INDICTED IN MORTGAGE FRAUD SCAM**

**PHOENIX, ARIZONA** -- The United States Attorney's Office for the District of Arizona announced that on January 14, 2004, a federal grand jury at Phoenix, Arizona, returned an indictment against Lilia Pereyra Ramirez, (D.O.B.) 5/21/54, and Evangelina Martinez, (D.O.B.) 9/29/62, both of Phoenix, Arizona, and Hilda Cervantes (D.O.B.) 9/20/78, and Laura Cervantes, (D.O.B.) 10/29/73, both residing in St. Louis Park, MN, charging a violation of 18 U.S.C. 371, Conspiracy to Defraud the United States of America. An additional ten (10) counts were returned among the accused of Filing False Statements with the U.S. Department of Housing and Urban Development a violation of 18 U.S.C. 1010. Lilia Pereyra Ramirez was also charged with two counts of Fraudulent Use of a Social Security Number, a violation of 42 U.S.C. 408(a)(7)(B). A conviction for Conspiracy to Defraud the United States, or Fraudulent Use of a Social Security Number, each carries a maximum penalty of five years imprisonment, a \$250,000 fine or both.

The indictment alleges that between September and December 2000, Lilia Pereyra Ramirez, Evangelina Martinez and Hilda Cervantes were employed as mortgage loan officers by American Financial Resources Inc. a Phoenix Arizona mortgage loan company. During that time they are accused of conspiring

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with their office manager, Marco Vasquez to prepare fraudulent applications for mortgage loans to be insured by the Federal Housing Administration. Laura Cervantes is alleged to be a real estate sales agent who cooperated with Hilda Cervantes to obtain false information for mortgage applications. The applications contained false information as to the applicants' employment and/or income so as to qualify them for the FHA insured loans. FHA loans require a smaller down payment and carry a lesser interest rate than conventional loans. The indictment further alleges that in excess of \$900,000 in FHA mortgage insurance was obtained through the use of fraudulent information. Some of that money funded the commissions paid to each of the participants in the conspiracy. In two separate counts Lilia Pereyra Ramirez is alleged to have used a false social security number to obtain her employment as a mortgage loan officer with First National Mortgage Banc and American Financial Resources.

The leader of the conspiracy, Marco Vasquez, previously plead guilty to similar conspiracy charges in a separate Indictment and is serving a 33-month prison sentence. Ramirez had her initial appearance before U.S. Magistrate Morton Sitver and will have a detention hearing on January 20, 2004. The other defendants have been summoned for an arraignment on January 24, 2004.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by Special Agents of the office of Inspector General of the Department of Housing and Urban Development.

The prosecution is being handled by Richard I. Mesh, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-02-0032-PHX  
RELEASE NUMBER: 2004-007

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